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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b>	<b>Applicant(s)</b>	
	10/784,719	SCHOEN ET AL.	
	<b>Examiner</b>	<b>Art Unit</b>	
	Susanna M. Diaz	3684	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) Responsive to communication(s) filed on 28 October 2009.  
 2a) This action is **FINAL**.                    2b) This action is non-final.  
 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) Claim(s) 1-171 is/are pending in the application.  
 4a) Of the above claim(s) See Continuation Sheet is/are withdrawn from consideration.  
 5) Claim(s) \_\_\_\_\_ is/are allowed.  
 6) Claim(s) 1-5,35-43,48,51,52,57-65,70-85,115-123,128,131,132,137-145,150-162 and 166 is/are rejected.  
 7) Claim(s) \_\_\_\_\_ is/are objected to.  
 8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) The specification is objected to by the Examiner.  
 10) The drawing(s) filed on \_\_\_\_\_ is/are: a) accepted or b) objected to by the Examiner.  
     Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
     Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).  
 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
 a) All    b) Some \* c) None of:  
 1. Certified copies of the priority documents have been received.  
 2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)          | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ .                                    |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)          | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____.   | 6) <input type="checkbox"/> Other: _____ .                        |

Continuation of Disposition of Claims: Claims withdrawn from consideration are 1,6-34,44-47,49,50,53-56,66-69,86-114,124-127,129-130,133-136,146-149,163-165,167-171.

## **DETAILED ACTION**

1. This non-final Office action is responsive to Applicant's election filed October 28, 2009.

On page 2 of Applicant's response, "Applicant elects A1 (claims 5, 85), B1 (claims 43, 123), C3 (claims 51, 131), D1 (claims 52, 132), E1 (claims 65, 145), and F2 (claims 162, 166) with traverse."

Claims 6-34, 44-47, 49-50, 53-56, 66-69, 86-114, 124-127, 129-130, 133-136, 146-149, 163-165, and 167-171 stand as non-elected claims and are therefore withdrawn from consideration.

Claims 1-5, 35-43, 48, 51, 52, 57-65, 70-85, 115-123, 128, 131, 132, 137-145, 150-162, and 166 have been elected and are examined below.

### ***Response to Arguments***

2. Applicant's arguments filed October 28, 2009 have been fully considered but they are not persuasive.

Applicant argues, "The burden is on the PTO to establish species, and the mere above-quoted contention is not sufficient to distinguish species from dependent claims which are no species, and not sufficient to distinguish each particular specie from any other specie." (Page 2 of Applicant's response filed October 28, 2009) The Examiner points to the restriction requirement mailed April 28, 2009. In this correspondence, the Examiner explicitly set forth and explained the nature of Groups A-F and then broke down each respective group into species, along with a description of each species and

which claims belong in each species. The Examiner submits that this meets the PTO burden to establish species.

Applicant further argues that Applicant is entitled to the reasons for a restriction requirement and "Applicant has been denied this entitlement, based upon the manner in which the requirement has been set forth." (Page 2 of Applicant's response filed October 28, 2009) The Examiner points to the restriction requirement mailed April 28, 2009. In this correspondence, the Examiner explicitly set forth and explained the nature of Groups A-F and then broke down each respective group into species, along with a description of each species and which claims belong in each species. The Examiner submits that this discussion on pages 2-7 of the restriction requirement mailed April 28, 2009 clearly explains the reasons for restriction.

Applicant argues that "even if the claims are established as 'separate and distinct,' there is 'a serious burden on the Examiner if restriction is required...' ...The Examiner has not provided sufficient 'reasons and/or examples to support conclusions' as required by the MPEP." (Page 3 of Applicant's response filed October 28, 2009) Looking at Group A, for example, Applicant claims 22 different types of financial liabilities, each of which the Examiner would potentially have to search and find details of in the context of forming a pool to handle the specific nature of each respective type of financial liability. It should be noted that Applicant has not argued the actual merits of the restriction requirement, e.g., by explaining how the different species are not mutually exclusive or by explaining how the different species are not obvious variants of one another or by explaining how the different species are not patentably distinct from one

another. Without such an admission from Applicant, the Examiner has reason to believe that Applicant may indeed pursue each species within Group A as a separately patentably feature of the invention. Since these species in Group A are mutually exclusive and potentially separately patentably, the search and treatment of each species would indeed pose a burden to the Examiner. The Examiner submits that similar arguments, made respectively for the species in Groups B, C, D, E, and F, apply.

On page 4 of Applicant's response filed October 28, 2009, Applicant submits that the Examiner has not properly considered linking claims. However, the Applicant has not shown any evidence to support the assertion that there exists a linking claim and it was not considered. Not all cases present linking claims and it is not within the Examiner's burden of establishing a restriction requirement to walk though an analysis of each claim to explain why it is not a linking claim. Additionally, the Examiner notes that she did recognize where subject matter in certain dependent claims might overlap. Consequently, she indicated in the restriction requirement instances where certain claims would be examined with more than one species.

Applicant is reminded that the generic and elected claims are herein examined. Upon reaching an agreement regarding allowable subject matter that results in placing the claims in condition for allowance, the withdrawn claims will be rejoined (as long as the original disclosure provides support for any resulting, allowable claim combinations incorporating previously withdrawn subject matter).

The requirement is still deemed proper and is therefore made FINAL.

3. Applicant's arguments filed April 18, 2009 have been considered but are moot in view of the new ground(s) of rejection.

***Claim Rejections - 35 USC § 102***

4. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

5. Claims 1-5, 35-43, 48, 51, 52, 57-65, 70-85, 115-123, 128, 131, 132, 137-145, 150-162, and 166 are rejected under 35 U.S.C. 102(b) as being anticipated by Walker et al. (U.S. Patent No. 6,119,093).

Walker discloses a computer-aided method of determining participation in a pool, the method including the steps of:

[Claim 1] forming a pool to handle a monetary obligation that is a financial liability over a period of time (col. 1, lines 14-24 – “In an insurance syndicate, a group of individual investors each pledge to insure against a portion of the risk specified in one or more insurance policies, in return for a share of the premiums.”; col. 13, lines 35-39 – “If the policy is in syndication with existing investors (that is, there are investors to whom a portion of the premium should be paid), the central controller **201** queries the investor (by policy) database **340** for the corresponding investor identification (step **1308**).”; col. 14, lines 1-7);

storing, in a computer system, rules for member participation in the pool (col. 5, lines 9-43 – The syndication central server stores and updates policy information, including information regarding the frozen credit line of an investor. “If at any time the cardholder cancels his credit card account with that bank, the bank immediately notifies the insurance agency and the terms of policy investment are canceled immediately.” This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool (syndicate). The terms of the policy are part of the contract information and this information is maintained by the syndication central server, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49.); and

applying the rules, with the computer system, to carry out the step of determining the participation within the period of time (col. 5, lines 9-43 – The syndication central server stores and updates policy information, including information regarding the frozen credit line of an investor. “If at any time the cardholder cancels his credit card account with that bank, the bank immediately notifies the insurance agency and the terms of policy investment are canceled immediately.” This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool (syndicate).);

[Claim 2] wherein the determining includes changing membership in the pool (col. 5, lines 9-43 – The syndication central server stores and updates policy information, including information regarding the frozen credit line of an investor. “If at any time the cardholder cancels his credit card account with that bank, the bank immediately notifies

the insurance agency and the terms of policy investment are canceled immediately.”

This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool (syndicate). Joining a syndicate or canceling an investor's membership in the syndicate is a change of membership in the pool.);

[Claim 3] wherein the determining includes changing responsibility for the financial liability of a member of the pool (col. 5, lines 9-43 – The syndication central server stores and updates policy information, including information regarding the frozen credit line of an investor. “If at any time the cardholder cancels his credit card account with that bank, the bank immediately notifies the insurance agency and the terms of policy investment are canceled immediately.” This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool (syndicate). Joining a syndicate or canceling an investor's membership in the syndicate is a change of membership in the pool, which alters the particular investor's financial liability.);

[Claim 4] wherein the determining includes changing responsibility for the financial liability of the pool (col. 5, lines 9-43 – The syndication central server stores and updates policy information, including information regarding the frozen credit line of an investor. “If at any time the cardholder cancels his credit card account with that bank, the bank immediately notifies the insurance agency and the terms of policy investment are canceled immediately.” This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool

(syndicate). Joining a syndicate or canceling an investor's membership in the syndicate is a change of membership in the pool, which alters the particular investor's financial liability.);

[Claim 5] wherein the financial liability is associated in the computer system with a financial product (abstract -- The syndicate is formed to fund the financial liability of an insurance policy, which is a type of financial product.);

[Claim 35] wherein the step of storing includes storing at least one requirement regarding a credit rating of one of the members of the pool (col. 5, lines 9-43 – The syndication central server stores and updates policy information, including information regarding the frozen credit line of an investor. “If at any time the cardholder cancels his credit card account with that bank, the bank immediately notifies the insurance agency and the terms of policy investment are canceled immediately.” This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool (syndicate). The terms of the policy are part of the contract information and this information is maintained by the syndication central server, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49.);

[Claim 36] storing at least one requirement regarding collateral status of at least one of the members of the pool (Walker stores various policy-related information, including syndicate requirements, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49; however, Walker does not expressly

teach the specific data recited in claim 36, i.e., “at least one requirement regarding collateral status of at least one of the members of the pool.” These differences are only found in the non-functional descriptive material and are not functionally involved in the manipulative steps of the invention nor do they alter the recited structural elements; therefore, such differences do not effectively serve to patentably distinguish the claimed invention over the prior art. The manipulative steps of the invention would be performed the same regardless of the specific data. Further, the structural elements remain the same regardless of the specific data. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability as the claimed invention fails to present a new and unobvious functional relationship between the descriptive material and the substrate, see *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1336, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004); MPEP § 2106.));

[Claim 37] storing at least one requirement regarding revenue of at least one of the members of the pool (Walker stores various policy-related information, including syndicate requirements, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49; however, Walker does not expressly teach the specific data recited in claim 37, i.e., “at least one requirement regarding revenue of at least one of the members of the pool.” These differences are only found in the non-functional descriptive material and are not functionally involved in the manipulative steps of the invention nor do they alter the recited structural elements;

therefore, such differences do not effectively serve to patentably distinguish the claimed invention over the prior art. The manipulative steps of the invention would be performed the same regardless of the specific data. Further, the structural elements remain the same regardless of the specific data. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability as the claimed invention fails to present a new and unobvious functional relationship between the descriptive material and the substrate, see *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1336, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004); MPEP § 2106.);

[Claim 38] storing at least one requirement regarding profit of at least one of the members of the pool (Walker stores various policy-related information, including syndicate requirements, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49; however, Walker does not expressly teach the specific data recited in claim 38, i.e., “at least one requirement regarding profit of at least one of the members of the pool.” These differences are only found in the non-functional descriptive material and are not functionally involved in the manipulative steps of the invention nor do they alter the recited structural elements; therefore, such differences do not effectively serve to patentably distinguish the claimed invention over the prior art. The manipulative steps of the invention would be performed the same regardless of the specific data. Further, the structural elements remain the same regardless of the specific data. Thus, this descriptive material will not distinguish the

claimed invention from the prior art in terms of patentability as the claimed invention fails to present a new and unobvious functional relationship between the descriptive material and the substrate, see *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1336, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004); MPEP § 2106.));

[Claim 39] wherein the step of storing includes storing a diversification requirement (Walker stores various policy-related information, including syndicate requirements, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49; however, Walker does not expressly teach the specific data recited in claim 39, i.e., “a diversification requirement.” These differences are only found in the non-functional descriptive material and are not functionally involved in the manipulative steps of the invention nor do they alter the recited structural elements; therefore, such differences do not effectively serve to patentably distinguish the claimed invention over the prior art. The manipulative steps of the invention would be performed the same regardless of the specific data. Further, the structural elements remain the same regardless of the specific data. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability as the claimed invention fails to present a new and unobvious functional relationship between the descriptive material and the substrate, see *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994); *In re*

*Ngai, 367 F.3d 1336, 1336, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004); MPEP § 2106.);*

[Claim 40] computing, with said computer system, an adjustment of said at least one requirement according to a criterion (col. 8, lines 36-65, col. 12, lines 50-59, col. 14, lines 25-36 – The terms agreed to by all involved parties determine how much risk each investor is willing to accept and thus potentially fund via a credit freeze. The investment amount/percentage varies based on each policy and specific terms agreed to; col. 5, lines 9-43 – The syndication central server stores and updates policy information, including information regarding the frozen credit line of an investor. “If at any time the cardholder cancels his credit card account with that bank, the bank immediately notifies the insurance agency and the terms of policy investment are canceled immediately.” This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool (syndicate). The terms of the policy are part of the contract information and this information is maintained by the syndication central server, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49. It is noted that claim 40 is dependent from either of claims 35-39. The current analysis addresses the option where claim 40 is interpreted as being dependent from claim 35);

[Claim 41] wherein the determining is responsive, at least in part, to an event (col. 5, lines 9-43 – The syndication central server stores and updates policy information, including information regarding the frozen credit line of an investor. “If at any time the cardholder cancels his credit card account with that bank, the bank immediately notifies

the insurance agency and the terms of policy investment are canceled immediately.”

This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool (syndicate). A request to join a syndicate or a cancellation of an investor’s membership in the syndicate is a type of event.);

[Claim 42] computing, with said computer system, an adjustment of said at least one requirement according a formula (col. 8, lines 36-65, col. 12, lines 50-59, col. 14, lines 25-36 – The terms agreed to by all involved parties determine how much risk each investor is willing to accept and thus potentially fund via a credit freeze. The investment amount/percentage varies based on each policy and specific terms agreed to.

Determining a percentage or amount corresponding to a risk share implies a formula; col. 5, lines 9-43 – The syndication central server stores and updates policy information, including information regarding the frozen credit line of an investor. “If at any time the cardholder cancels his credit card account with that bank, the bank immediately notifies the insurance agency and the terms of policy investment are canceled immediately.”

This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool (syndicate). The terms of the policy are part of the contract information and this information is maintained by the syndication central server, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49. It is noted that claim 40 is dependent from either of claims 35-39. The current analysis addresses the option where claim 40 is interpreted as being dependent from claim 35);

[Claim 43] wherein the diversification requirement comprises a requirement of a reduction in diversifiable risk (Walker stores various policy-related information, including syndicate requirements, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49; however, Walker does not expressly teach the specific data recited in claim 43, i.e., “wherein the diversification requirement comprises a requirement of a reduction in diversifiable risk.” These differences are only found in the non-functional descriptive material and are not functionally involved in the manipulative steps of the invention nor do they alter the recited structural elements; therefore, such differences do not effectively serve to patentably distinguish the claimed invention over the prior art. The manipulative steps of the invention would be performed the same regardless of the specific data. Further, the structural elements remain the same regardless of the specific data. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability as the claimed invention fails to present a new and unobvious functional relationship between the descriptive material and the substrate, see *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1336, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004); MPEP § 2106.));

[Claim 48] storing, in the computer system, a diversification formula (Walker stores various policy-related information, including syndicate requirements, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49; however, Walker does not expressly teach the specific data recited in claim 48, i.e.,

“a diversification formula.” These differences are only found in the non-functional descriptive material and are not functionally involved in the manipulative steps of the invention nor do they alter the recited structural elements; therefore, such differences do not effectively serve to patentably distinguish the claimed invention over the prior art. The manipulative steps of the invention would be performed the same regardless of the specific data. Further, the structural elements remain the same regardless of the specific data. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability as the claimed invention fails to present a new and unobvious functional relationship between the descriptive material and the substrate, see *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1336, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004); MPEP § 2106.));

[Claim 51] wherein the diversification formula includes a covariance of returns term (Walker stores various policy-related information, including syndicate requirements, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49; however, Walker does not expressly teach the specific data recited in claim 51, i.e., “wherein the diversification formula includes a covariance of returns term.” These differences are only found in the non-functional descriptive material and are not functionally involved in the manipulative steps of the invention nor do they alter the recited structural elements; therefore, such differences do not effectively serve to patentably distinguish the claimed invention over the prior art. The manipulative steps of the invention would be performed the same regardless of the specific data. Further,

the structural elements remain the same regardless of the specific data. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability as the claimed invention fails to present a new and unobvious functional relationship between the descriptive material and the substrate, see *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1336, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004); MPEP § 2106.));

[Claim 52] storing, in the computer system, a goal regarding value creation (Walker stores various policy-related information, including syndicate requirements, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49; however, Walker does not expressly teach the specific data recited in claim 52, i.e., “a goal regarding value creation.” These differences are only found in the non-functional descriptive material and are not functionally involved in the manipulative steps of the invention nor do they alter the recited structural elements; therefore, such differences do not effectively serve to patentably distinguish the claimed invention over the prior art. The manipulative steps of the invention would be performed the same regardless of the specific data. Further, the structural elements remain the same regardless of the specific data. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability as the claimed invention fails to present a new and unobvious functional relationship between the descriptive material and the substrate, see *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994); *In re*

*Ngai, 367 F.3d 1336, 1336, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004); MPEP § 2106.);*

[Claim 57] storing, in the computer system, a profit limitation for the members of the pool (col. 14, lines 19-36 – The premiums define profit limitations; Walker stores various policy-related information, including syndicate requirements and terms, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49.);

[Claim 58] wherein the profit limitation is determined by a mathematical formula (col. 14, lines 19-36 – The premiums define profit limitations. Calculation of percentage implies use of a formula.);

[Claim 59] wherein the step of storing comprises storing a formula of relative positions of the members of the pool with regard to their shares of risk and revenue (col. 8, lines 36-65, col. 12, lines 50-59, col. 14, lines 25-36 – The terms agreed to by all involved parties determine how much risk each investor is willing to accept and thus potentially fund via a credit freeze. The investment amount/percentage varies based on each policy and specific terms agreed to. Determining a percentage or amount corresponding to a risk share implies a formula);

[Claim 60] wherein the step of storing in a computer, rules for participation in the pool includes storing terms of an agreement, along with respective shares of risk and revenue for the members of the pool, under certain triggering future events (Walker stores various policy-related information, including syndicate requirements, risk and

revenue, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, col. 12, lines 22-49, and col. 13, line 35 through col. 14, line 45);

[Claim 61] wherein one of said terms governs appointing a replacement pool member (col. 4, line 47 through col. 5, line 43 – The phrase “replacement” is just an identifier for the pool member and imparts no functionality or structurally limiting scope.

Furthermore, an investor that applies to join a syndicate is effectively serving to replace some of the risk previously carried by the insurance company. In this sense, a new investor may be seen as a “replacement” pool member);

[Claim 62] wherein one of said terms governs adding a new slot to accommodate a new pool member (col. 4, line 47 through col. 5, line 43);

[Claim 63] wherein one of said terms governs adding a new slot to accommodate a new pool member in response to the aggregate business written (col. 4, line 47 through col. 5, line 43; col. 14, lines 26-45);

[Claim 64] further including the step of monitoring, with said computer system, compliance with the terms of the agreement (col. 8, lines 36-65, col. 12, lines 50-59, col. 14, lines 25-36 – The terms agreed to by all involved parties determine how much risk each investor is willing to accept and thus potentially fund via a credit freeze. The investment amount/percentage varies based on each policy and specific terms agreed to. Determining a percentage or amount corresponding to a risk share implies a formula; col. 5, lines 9-43 – The syndication central server stores and updates policy information, including information regarding the frozen credit line of an investor. “If at

any time the cardholder cancels his credit card account with that bank, the bank immediately notifies the insurance agency and the terms of policy investment are canceled immediately.” This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool (syndicate). The terms of the policy are part of the contract information and this information is maintained by the syndication central server, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49.);

[Claim 65] wherein the monitoring is response, in part, to input reports from each pool member (col. 8, lines 36-65, col. 12, lines 50-59, col. 14, lines 25-36 – The terms agreed to by all involved parties determine how much risk each investor is willing to accept and thus potentially fund via a credit freeze. The investment amount/percentage varies based on each policy and specific terms agreed to, based at least in part on input reports from each pool member. Determining a percentage or amount corresponding to a risk share implies a formula; col. 5, lines 9-43 – The syndication central server stores and updates policy information, including information regarding the frozen credit line of an investor. “If at any time the cardholder cancels his credit card account with that bank, the bank immediately notifies the insurance agency and the terms of policy investment are canceled immediately.” This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool (syndicate). The terms of the policy are part of the contract information and this information is maintained by the syndication central server, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49.);

[Claim 70] further including the step of signaling, with said computer system, to enforce the agreement (col. 8, lines 36-65, col. 12, lines 50-59, col. 14, lines 25-36 – The terms agreed to by all involved parties determine how much risk each investor is willing to accept and thus potentially fund via a credit freeze. The investment amount/percentage varies based on each policy and specific terms agreed to. Determining a percentage or amount corresponding to a risk share implies a formula; col. 5, lines 9-43 – The syndication central server stores and updates policy information, including information regarding the frozen credit line of an investor. “If at any time the cardholder cancels his credit card account with that bank, the bank immediately notifies the insurance agency and the terms of policy investment are canceled immediately.” This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool (syndicate). The terms of the policy are part of the contract information and this information is maintained by the syndication central server, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49.);

[Claim 71] wherein the step of determining the participation is according to a pre-specified criterion (col. 8, lines 36-65, col. 12, lines 50-59, col. 14, lines 25-36 – The terms agreed to by all involved parties determine how much risk each investor is willing to accept and thus potentially fund via a credit freeze. The investment amount/percentage varies based on each policy and specific terms agreed to. Determining a percentage or amount corresponding to a risk share implies a formula; col. 5, lines 9-43 – The syndication central server stores and updates policy information,

including information regarding the frozen credit line of an investor. "If at any time the cardholder cancels his credit card account with that bank, the bank immediately notifies the insurance agency and the terms of policy investment are canceled immediately." This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool (syndicate). The terms of the policy are part of the contract information and this information is maintained by the syndication central server, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49.);

[Claim 72] wherein the step of determining is carried out periodically (col. 5, lines 13-35);

[Claim 73] wherein the step of determining the participation is according to a formula (col. 8, lines 36-65, col. 12, lines 50-59, col. 14, lines 25-36 – The terms agreed to by all involved parties determine how much risk each investor is willing to accept and thus potentially fund via a credit freeze. The investment amount/percentage varies based on each policy and specific terms agreed to. Determining a percentage or amount corresponding to a risk share implies a formula; col. 5, lines 9-43 – The syndication central server stores and updates policy information, including information regarding the frozen credit line of an investor. "If at any time the cardholder cancels his credit card account with that bank, the bank immediately notifies the insurance agency and the terms of policy investment are canceled immediately." This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool (syndicate). The terms of the policy are part of the contract

information and this information is maintained by the syndication central server, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49.);

[Claim 74] further including the step of notifying, with the computer system, at least one of the members of the pool regarding a change in the participation (col. 13, line 53 through col. 14, line 18 – When an insurance claim is submitted for a payout from a syndicated insurance policy, the members of the syndicate will effectively change from investors receiving premium shares to investors contributing to an insurance payout through their lines of credit, thereby ending participation in the syndicate);

[Claim 75] further including the step of notifying, with the computer system, at least one of the members of the pool regarding an imminent change in the participation (col. 13, line 53 through col. 14, line 18 – When an insurance claim is submitted for a payout from a syndicated insurance policy, the members of the syndicate will effectively change from investors receiving premium shares to investors contributing to an insurance payout through their lines of credit, thereby ending participation in the syndicate);

[Claim 76] further including the step of producing a notice of a change in the participation of at least one of the members of the pool (col. 13, line 53 through col. 14, line 18 – When an insurance claim is submitted for a payout from a syndicated insurance policy, the members of the syndicate will effectively change from investors receiving premium shares to investors contributing to an insurance payout through their lines of credit, thereby ending participation in the syndicate);

[Claim 77] further including the step of automatically tracking, with said computer system, any pool financial liability (col. 13, line 53 through col. 14, line 18);

[Claim 78] further including the step of forecasting, with said computer system, future costs of the pool (col. 5, lines 1-65; col. 7, lines 7-34; col. 8, lines 36-65; col. 13, line 53 through col. 14, line 36);

[Claim 79] further including the step of calculating, with said computer system, a price charged by the pool (col. 13, line 53 through col. 14, line 36);

[Claim 80] further including the step of automatically testing a price corresponding to the pool (col. 5, lines 1-65; col. 7, lines 7-34; col. 8, lines 36-65; col. 13, line 53 through col. 14, line 36);

[Claim 162] wherein the event is a change in a credit rating (col. 8, lines 36-65, col. 12, lines 50-59, col. 14, lines 25-36 – The terms agreed to by all involved parties determine how much risk each investor is willing to accept and thus potentially fund via a credit freeze. The investment amount/percentage varies based on each policy and specific terms agreed to; col. 5, lines 9-43 – The syndication central server stores and updates policy information, including information regarding the frozen credit line of an investor. “If at any time the cardholder cancels his credit card account with that bank, the bank immediately notifies the insurance agency and the terms of policy investment are canceled immediately.” This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool (syndicate).).

[Claims 81-85, 115-123, 128, 131-132, 137-145, 150-160, 166]      Claims 81-85, 115-123, 128, 131-132, 137-145, 150-160, and 166 recite limitations already addressed by the rejections of claims 1-5, 35-43, 48, 51-52, 57-65, 70-80, and 162 above; therefore, the same rejections apply.

Furthermore, Walker discloses a processor, input device, output device, and memory (Figs. 1, 2, 4, 7).

[Claim 161]   Claim 161 recites limitations already addressed by the rejection of claim 1 above; therefore, the same rejection applies.

Furthermore, Walker discloses a processor, input device, output device, and memory (Figs. 1, 2, 4, 7).

### ***Conclusion***

6.      The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Berdou (US 2004/0010426 A1) – Discloses a pool of members creating to handle a financial liability.

Srinivasan (US 2002/0116327 A1) – Discloses a system and methods for syndication of financial obligations.

7. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Susanna M. Diaz whose telephone number is (571) 272-6733. The examiner can normally be reached on Monday-Friday, 8 am - 4:30 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz Abdi can be reached on (571) 272-6702. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Susanna M. Diaz/  
Primary Examiner, Art Unit 3684